# GOVERNMENT OF INDIA
# FINANCE
# LOK SABHA

STARRED QUESTION NO:34
ANSWERED ON:03.02.2017
Digital Transactions
Mahadik Shri Dhananjay Bhimrao;Satav Shri Rajeev Shankarrao

**Will the Minister of FINANCE be pleased to state:**

(a) whether digital transactions have substantially increased after demonetizaton drive and if so, the details thereof along with the amount involved therein;

(b) whether the Government proposes to rank States/UTs on a digital transaction index as part of its big push to make India a less cash economy and if so, the details thereof; and

(c) whether the government has taken steps to boost digital transactions in the villages/rural areas also and if so, the details thereof?

## Answer

THE FINANCE MINISTER

(a) to (c):- A Statement is laid on the Table of the House.

Statement referred to in reply to parts (a) to (c) of Lok Sabha Starred Question No. *34 (14th Position) for 3rd February, 2017 by SHRI DHANANJAY MAHADIK and SHRI SATAV RAJEEV, M.P.s regarding "Digital Transactions"
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(a) Yes Madam. Details are at Annex.

(b) It has been decided by NITI Aayog to rank the States/UTs on a digital transaction index. Various parameters for the index are being worked out.

(c) Following steps have been taken to promote digital payments, including in rural areas:
i. For greater financial inclusion, banks are committed to seed Aadhar and mobile numbers in bank accounts based on voluntary customer consent, promote the usage of RuPay cards, and impart financial literacy. Through this, accountholders are enabled to access to Aadhar-enabled, mobile based as well as card-based payment options.

ii. To strengthen card acceptance infrastructure in rural areas, NABARD has committed to support banks from the Financial Inclusion Fund for deployment of Aadhar-ready Point of Sale (POS) terminals in one lakh villages in Tier 5 and Tier 6 centres, subject to a cap of two PoS machines per village.

iii. Bank Mitras are deployed in rural areas for providing banking services with use of interoperable micro ATMs.

iv. In respect of debit card transactions for transaction value upto Rs. 1,000 on PoS, between 1.1.2017 and 31.3.2017, Merchant Discount Rate (MDR) has been capped at 0.25%, and for debit card transactions value between Rs. 1,000 and Rs. 2,000, MDR has been capped at 0.5%.

v. NABARD has committed to help Regional Rural Banks and Cooperative Banks to issue RuPay cards to Kisan Credit Card holders to enable them to make digital transactions on PoS machines, micro ATMs and ATMs.

vi. Bharat Interface for Money (BHIM) app has been launched for simple, easy and quick payment transactions using Unified Payments Interface (UPI) and Unstructured Supplementary Service Data (USSD). It also works on basic/ feature phones, without internet.

Annex
Electronic Payment Systems - Representative Data (Provisional)
(Source: Reserve Bank of India)
Month RTGS (Customer + Inter Bank) Retail Electronic Clearing (ECS+ NEFT+IMPS*+ NACH*) Cards*** Prepaid Payment Instruments (PPIs)# Mobile Banking## UPI* USSD**
Volume
(Million) Value

(Rupees Billion) Volume
(Million) Value
(Rupees Billion) Volume
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(Million) Value
(Rupees Billion)
Sep-2016 8.47 86,687.35 315.03 10,770.13 945.86 2,623.91 97.07 56.28 72.63 1,042.57 0.08 0.32 0.00 0.00
Oct-2016 9.01 76,473.29 346.46 10,634.97 1,032.14 3,069.65 126.90 60.22 78.08 1,135.78 0.10 0.49 0.00 0.00
Nov-2016 7.87 78,479.19 312.73 9,748.25 906.78 1,833.46 169.03 50.10 85.39 1,374.43 0.29 0.91 0.01 0.01
Dec-2016 8.84 84,096.48 418.54 12,608.01 1,025.48 1,801.29 261.09 97.70 89.61 1,485.83 1.96 7.00 0.10 0.10
Month over month growth (%)
Month RTGS (Customer + Inter Bank) Retail Electronic Clearing (ECS+ NEFT+IMPS*+ NACH*) Cards*** Prepaid Payment Instruments (PPIs)# Mobile Banking## UPI* USSD**
Volume
(Million) Value
(Rupees Billion) Volume
(Million) Value
(Rupees Billion) Volume
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(Million) Value
(Rupees Billion)
Oct-2016 6.37 -11.78 9.97 -1.25 9.12 16.99 30.73 6.99 7.51 8.94 23.28 50.65 -6.12 -5.65
Nov-2016 -12.57 2.62 -9.74 -8.34 -12.15 -40.27 33.19 -16.81 9.36 21.01 176.84 85.41 136.47 76.36
Dec-2016 12.26 7.16 33.84 29.34 13.09 -1.75 54.47 95.02 4.95 8.11 583.52 673.55 1,351.51 1,320.29
* Source is National Payments Corporation of India (NPCI)
** Figures negligible, Source is NPCI
# PPI issued by 8 non-bank issuers for goods and services transactions only.
## Mobile banking figures are taken from 5 banks.
*** Includes card usage
ECS - Electronic Clearing System
RTGS − Real Time Gross Settlement
NEFT − National Electronic Funds Transfer
IMPS − Immediate Payment Service
NACH − National Automated Clearing House
UPI - Unified Payments Interface
USSD - Unstructured Supplementary Service Data
PPI - Prepaid Payment Instrument